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# State of Utah Department of Commerce

## Division of Securities

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### NEWS RELEASE

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#### **Securities Agents Punished for Misleading Conduct in “Free Lunch” Seminars for Seniors** ***Speaker misrepresented credentials, is barred; junior agent also sanctioned for his role . . .***

**SALT LAKE CITY, Utah** – The Utah Securities Advisory Board today approved the entry of two orders against agents who conducted investment seminars targeting seniors. During the seminar, the agents made misleading statements. The agents admitted the conduct and consented to the entry of the orders.

In October 2006, the Division issued a petition proposing to sanction World Group Securities (WGS) and two of its agents, John F. Hoschouer, Andrew J. Moleff. Moleff was a branch manager for WGS and Hoschouer was a securities agent under Moleff’s supervision. In May 2006, Moleff presented free meal seminars in Salt Lake City targeted at seniors. At the seminars, inaccurate and misleading information was presented in an attempt to persuade the seniors to transfer their investment accounts to Moleff.

During the seminars, Moleff told the audience that due to his skills, one of his clients can now afford to take three vacations a year and invited Moleff and his family to join the client on vacation. In truth, the client with whom Moleff vacationed was his father. Moleff also distributed materials that were not approved for dissemination to the public.

Moleff admitted that he made misrepresentations during the presentation, conducted unapproved seminars, used unapproved sales materials, and engaged in dishonest and unethical practices. Moleff agreed to be barred from the securities industry and pay a fine of \$25,000. \$20,000 of the fine will be waived if Moleff does not violate any securities laws during the next five years. Under Moleff’s direction, Hoschouer violated the law by making misrepresentations during the sales presentation to potential investors. He was fined and must requalify as a securities agent by retaking and passing the securities examinations.

Proceedings are still pending against World Group Securities.